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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

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IN REPLY REFER TO:

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Honorable Robert H. Michel
House of Representatives
2212 Rayburn House Office Building
Washington, D.C. 20515

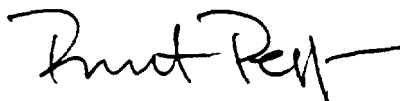
93-253

Dear Congressman Michel:

This in reply to your letter of September 10, 1993, on behalf of your constituent Clyde Eskridge. Mr. Eskridge is concerned about the impact of the competitive bidding provisions of the Omnibus Budget Reconciliation Act of 1993 (Budget Act) on small businesses and rural telephone companies. Your letter was referred to me because the Office of Plans and Policy is responsible for implementing the competitive bidding provisions of the Budget Act for the Commission.

On October 12, 1993, the Commission released a Notice of Proposed Rule Making, PP Docket No. 93-253 (Auction NPRM), to implement the provisions of the Budget Act concerning competitive bidding. According to the Budget Act, the Commission must ensure the economic opportunity of small businesses, businesses owned by women and minorities and rural telephone companies. To meet this Congressional mandate, the Auction NPRM proposed a variety of financial incentives for the designated entities. Specifically, we proposed to offer the designated entities the equivalent of government financing for payment of their bids for services subject to competitive bidding i.e., installment payments with interest. We also asked for comment on the use of tax certificates. In the case of broadband PCS, the Commission also proposed to set-aside two blocks of spectrum in each market, one of 20 MHz and one of 10 MHz, for bidding by the designated entities. In this manner, the designated entities would only compete with one another for broadband PCS rather than against larger entities with easier access to capital. As we consider the comments filed in the competitive bidding proceeding, I can assure you that we will keep in mind our mandate to ensure economic opportunity for the designated entities, including small businesses and rural telephone companies, as required by the Budget Act.

Sincerely,



Robert Pepper
Chief
Office of Plans and Policy

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ROBERT H. MICHEL
18TH DISTRICT, ILLINOIS

RAY LaHOOD
CHIEF OF STAFF

Congress of the United States
House of Representatives
Washington, DC 20515-1318

September 10, 1993

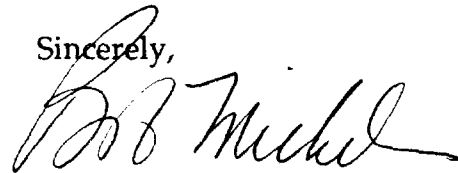
The Honorable James H. Quello
Acting Chairman
Federal Communications Commission
1919 M Street - NW
Washington, DC 20554

Dear Chairman Quello:

Last week, I shared with you a letter I received from a constituent urging the FCC grant licenses and set aside spectrums to allow exchange carriers to provide Personal Communications Service. I thought you should also see this letter expressing a similar sentiment.

Thank you for your consideration.

Sincerely,



Robert H. Michel
Member of Congress

RHM:pdv
Enclosure



SEP 1 1993

Mid Century Telephone Cooperative, Inc.

P.O. BOX 479 • WEST LOCUST STREET • CANTON, ILLINOIS 61520-0479 • TELEPHONE (309) 647-6113 • FAX # (309) 783-3297

August 31, 1993

The Honorable Robert H. Michel
2112 Rayburn
Washington, DC 20515

Dear Congressman Michel:

I am writing to ask you to contact Federal Communications Commission Chairman James H. Quello and Commissioners Andrew C. Barrett and Ervin S. Duggan strongly encouraging them to fully achieve the objectives of the recently passed budget reconciliation law by ensuring that small and rural telephone systems are able to provide new services, such as PCS, under an auction regime.

The budget reconciliation law requires the FCC to ensure new technologies are rapidly deployed in rural areas. It also requires that licenses be distributed to a wide variety of applicants, including rural telephone companies.

Small and rural telephone systems are best situated to assure new services and technologies reach rural subscribers. They have a proven track record of delivering state-of-the-art technologies to their subscribers in rural America. Please urge the FCC to ensure that we can continue to do so.

Sincerely,

Clyde E. Eskridge
Manager

CEE:bh